

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

Financial Statements with Supplementary Information

June 30, 2024 and 2023

(With Independent Auditors' Report Thereon)

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

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Independent Auditors' Report

**To the Board of Directors
Sabine River Authority
State of Louisiana
Many, Louisiana**

Qualified Opinions

We have audited the accompanying financial statements of the business-type activities, of the Sabine River Authority (the Authority) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority as of June 30, 2024 and 2023, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Matter Giving Rise to the Qualified Opinion

In a preceding year, certain opening balances relating to capital assets could not be audited. See Note 6 for additional information.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Management has omitted the management’s discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of employer’s proportionate share of net pension liability, schedule of employer’s contributions, and schedule of employer’s proportionate share of total collective OPEB liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority’s basic financial statements. The annual financial report required by Division of Administration, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This report is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2024, on our consideration of the Authority’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing,

and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Griffin & Furman, LLC

September 3, 2024

Covington, Louisiana

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

Statement of Net Position

June 30, 2024 and 2023

	2024	2023
Assets and Deferred Outflows of Resources:		
Current assets:		
Restricted cash and cash equivalents	\$ 5,400,093	5,330,850
Unrestricted cash and cash equivalents	17,395,409	15,629,075
Accrued interest	238,849	86,259
Prepaid	11,209	-
Receivables, net	3,984,288	3,434,537
Total current assets	27,029,848	24,480,721
Noncurrent assets:		
Investments - restricted	515,185	480,204
Investments - unrestricted	23,953,795	22,519,969
Capital assets, net	75,587,161	76,889,677
Total assets	127,085,989	124,370,571
Deferred outflows of resources:		
Deferred outflows related to pensions	912,141	1,791,936
Deferred outflows related to other post-employment benefits liability	785,225	798,725
Total deferred outflows of resources	1,697,366	2,590,661
Total assets and deferred outflows of resources	\$ 128,783,355	126,961,232

See accompanying notes to the financial statements.

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

Statement of Net Position, Continued

June 30, 2024 and 2023

	2024	2023
Liabilities, Deferred Inflows, and Net position:		
Liabilities:		
Current liabilities:		
Accounts payable and retainage payable	\$ 468,763	571,010
Deferred revenue	10,445	10,445
Accrued expenses	594,684	422,987
Bonds payable - current	1,215,000	1,174,000
OPEB liability - current	213,559	188,043
Total current liabilities	2,502,451	2,366,485
Noncurrent liabilities:		
Bonds payable	5,299,000	6,514,000
Other post-employment benefits liability	4,321,296	4,031,875
Net pension liability	4,769,072	6,867,345
Total noncurrent liabilities	14,389,368	17,413,220
Total liabilities	16,891,819	19,779,705
Deferred inflows of resources:		
Deferred inflows related to pensions	901,640	475,226
Deferred inflows related to OPEB liability	1,111,604	1,727,622
Total deferred inflows of resources	2,013,244	2,202,848
Net Positions:		
Net investment in capital assets	69,073,161	69,201,677
Restricted for debt service and power agreement	596,800	567,782
Restricted for capital projects	4,803,293	5,243,272
Unrestricted	35,405,038	29,965,948
Total net position	109,878,292	104,978,679
Total liabilities, deferred inflows of resources, and net position	\$ 128,783,355	126,961,232

See accompanying notes to the financial statements.

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2024 and 2023

	2024	2023
Operating revenues:		
Power sales	\$ 4,816,652	5,463,501
Water sales	8,975,674	8,329,591
Park site rental	1,358,882	1,339,909
Miscellaneous	2,166,316	2,116,400
Total operating revenues	17,317,524	17,249,401
Operating expenses:		
Operating and maintenance	9,617,436	10,563,880
Depreciation and amortization	4,186,946	3,450,695
Total operating expenses	13,804,382	14,014,575
 Operating income	3,513,142	3,234,826
Non-operating revenues (expenses):		
Investment income	1,911,358	803,834
Interest expense	(195,444)	(244,187)
Total non-operating revenues (expenses)	1,715,914	559,647
 Increase in net position	5,229,056	3,794,473
 Net position, beginning of year	104,978,679	85,780,606
 Prior period adjustment	(329,443)	15,403,600
 Net position, beginning of year as restated	104,649,236	101,184,206
 Net position, end of year	\$ 109,878,292	104,978,679

See accompanying notes to the financial statements.

**SABINE RIVER AUTHORITY
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Statement of Cash Flows

For the Year Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Cash received from customers	\$ 16,767,773	21,640,489
Cash paid to suppliers for goods/services	(6,851,741)	(6,741,921)
Cash paid to employees for services	(4,116,543)	(3,718,227)
Net cash provided by operating activities	5,799,489	11,180,341
Cash flows from investing activities:		
Net purchases of investments	(899,672)	(1,082,453)
Interest received	1,202,133	564,778
Net cash provided (used) by investing activities	302,461	(517,675)
Cash flows from capital and related financing activities:		
Purchases of capital assets	(2,950,355)	(7,117,114)
Principal paid on capital debt	(1,174,000)	(1,134,000)
Interest paid	(142,018)	(255,905)
Net cash used by financing activities	(4,266,373)	(8,507,019)
Net increase in cash and cash equivalents	1,835,577	2,155,647
Cash and cash equivalents, beginning of year	20,959,925	18,804,278
Cash and cash equivalents, end of year	\$ 22,795,502	20,959,925
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	3,513,142	3,234,826
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	4,186,946	3,450,695
Increase in assets:		
Accounts receivable	(549,751)	4,391,088
Decrease in deferred outflows related to net pension and other post-employment liabilities	563,851	(699,060)
Increase (decrease) in liabilities:		
Accounts payable and retainage payable	(102,247)	481,121
Accrued expenses	171,697	190,771
Other post-employment benefits liability	314,937	(1,249,352)
Net pension liability	(2,098,273)	1,280,700
Decrease in deferred inflows related to net pension and other post-employment liability	(189,604)	99,552
Total adjustments	2,286,347	7,945,515
Net cash provided by operating activities	\$ 5,799,489	11,180,341

See accompanying notes to the financial statements.

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

Statement of Cash Flows, Continued

For the Year Ended June 30, 2024 and 2023

Non-cash investing activities:		
Decrease in unrealized loss on investments	\$ <u>569,135</u>	<u>137,748</u>
Cash and cash equivalents reconciliation:		
Restricted cash and cash equivalents	\$ 5,400,093	5,330,850
Unrestricted cash and cash equivalents	<u>17,395,409</u>	<u>15,629,075</u>
Cash and cash equivalents at end of year	\$ <u>22,795,502</u>	<u>20,959,925</u>

See accompanying notes to the financial statements.

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

Notes to the Financial Statements

June 30, 2024

(1) Introduction

The mission of the Sabine River Authority of Louisiana, consistent with Louisiana Revised Statutes 38:2321, and with Article 48 of the Federal Power Commission License, Project 2305, is to provide for economic utilization and preservation of the waters of the Sabine River and its tributaries by promoting economic development, irrigation, navigation, improved water supply, drainage, public recreation, and hydroelectric power for the citizens of Louisiana.

(2) Summary of Significant Accounting Policies

(a) Reporting Entity

Sabine River Authority, a component unit of the State of Louisiana, was created under Title 38, Chapter 2, of the Louisiana Revised Statutes of 1950, comprised of R. S. 38:2337. The Authority is charged with the development of the Sabine River Basin within the State of Louisiana. The Authority derives its revenue from the sale of hydroelectric power from the Toledo Bend Dam, water sales from the Toledo Bend Reservoir and Sabine River Diversion Canal, permit and recreation area fees, and other miscellaneous revenue. At the 1991 Session of the Louisiana Legislature, Act 272 transferred the Authority to the Louisiana Department of Transportation and Development.

The Authority is an autonomous self-supporting governmental unit with no taxing powers covering all or a portion of six parishes in the Sabine Basin and is administered by a thirteen-member Board of Directors appointed by the Governor to four-year terms which are concurrent with the Governor.

(b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The proprietary fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of net position.

The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's proprietary fund are charges to customers for sales and services. The Authority also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the proprietary fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

Notes to the Financial Statements

June 30, 2024

(c) Financial Statements

GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, provides that special-purpose governments engaged only in business-type activities should present only the financial statements required for enterprise funds. For these governments, basic financial statements and required supplementary information (RSI) consist of the following:

- 1. Management's discussion and analysis**
- 2. Statement of net position**
- 3. Statement of revenues, expenses, and changes in net position**
- 4. Statement of cash flows**
- 5. Notes to financial statements**
- 6. RSI, if applicable**

The Authority is a special-purpose government engaged only in business type activities.

(d) Cash and Cash Equivalents / Investments

Cash and cash equivalents include demand deposits in various financial institutions. The caption "cash and cash equivalents" on the statement of net position includes all cash on deposit at banks, including certificates of deposit with an original maturity of less than 90 days. If the original maturity exceeds 90 days, they are classified as investments.

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana or any other federally insured investments, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Louisiana state law requires deposits (cash and certificates of deposit) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision. The market value of the demand deposits and certificates of deposit is equal to their cost.

(e) Revenue Receivables

The Authority considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become un-collectible, they will be charged to operating expenses when that determination is made.

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

Notes to the Financial Statements

June 30, 2024

(f) Capital Assets

Property, plant, and equipment are stated at historical cost. Capital assets in excess of \$1,000 are required to be capitalized. Depreciation has been provided using the straight-line method at annual rates as follows:

Dams & electric plant	1.5%
Water & pumping plant	1.5% - 5.0%
Buildings	2.0% - 5.0%
Equipment	4.0% - 20.0%
Roads & parking lots	3.3% - 5.0%
Golf course	2.0%

(g) Compensated Absences

Classified employees of the Sabine River Authority accumulate annual and sick leave at various rates depending on their years of service. These employees may accumulate unlimited amounts of annual and sick leave. Upon termination or death, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Accounting for Compensated Absences. (GASB Code Sec. C60) no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

(h) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana State Employees' Retirement System (LASERS) and additions to/deductions from LASERS' fiduciary net position have been determined on the same basis as they are reported by LASERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(i) Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term debt obligations are recognized as liabilities in the applicable governmental activities statement of net position. Long-term obligations are reported at face value.

(j) Net Position

In accordance with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB No. 63, net position

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

Notes to the Financial Statements

June 30, 2024

is classified into three components; net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

- a. **Net Investment in Capital Assets** - This component of net position consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, less deferred inflows of resources related to those assets
- b. **Restricted** - This component of net position consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
- c. **Unrestricted** - All other net position is reported in this category.

The restricted assets consist of a bond sinking fund, bond reserve fund, bond operating reserve funds, and contingency and replacement reserve funds on revenue bonds. The bond sinking, operating reserve, and contingency and replacement reserve funds are segregated as required by the bond indentures and power agreements. These funds totaled \$596,800 and \$567,782 as of June 30, 2024 and 2023, respectively. The funds restricted for construction were \$4,803,293 and \$5,243,272 as of June 30, 2024 and 2023, respectively.

(k) Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon thereafter to be used to pay the liabilities of the current fiscal year. For the Authority, available means expected to be received within thirty-one days of the fiscal year-end. Under the modified accrual basis, only interest is considered to be both measurable and available at fiscal year-end.

(l) Rates and Regulations

The Louisiana Public Service Commission has original jurisdiction over the electric rates charged by the Authority. The rate year runs from May to April and starts at \$0.054 per kWh. Water rates are established by the Authority's Board of Commissioners.

(m) Budget Policies

The Authority prepares a budget for use in planning and controlling costs. The budget and any changes are approved by the Board of Commissioners.

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

Notes to the Financial Statements

June 30, 2024

(n) Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(3) Cash and Cash Equivalents

At June 30, 2024, the Authority had cash and cash equivalents (book balances) totaling \$22,795,502 which were demand deposits at local financial institutions. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Of these amounts, \$5,400,093 was restricted for debt service, power agreement, and capital projects and \$17,395,409 was unrestricted.

At June 30, 2024, the Authority had \$22,699,942 in deposits (collected bank balances). These deposits were secured from risk by \$1,250,000 of federal deposit insurance and \$21,449,942 of pledged securities held by a trust in the name of the financial institution.

At June 30, 2023, the Authority had cash and cash equivalents (book balances) totaling \$20,959,925 which were demand deposits at local financial institutions. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Of these amounts, \$5,330,850 was restricted for debt service, power agreement, and capital projects and \$15,629,075 was unrestricted.

At June 30, 2023, the Authority had \$21,018,611 in deposits (collected bank balances). These deposits were secured from risk by \$1,250,000 of federal deposit insurance and \$19,768,611 of pledged securities held by a trust in the name of the financial institution.

(4) Investments

Investments at June 30, 2024 are comprised of:

<u>Investment</u>	<u>Percentage</u>	<u>Fair Value</u>
Corporate bonds	5.3%	\$ 1,331,577
Municipal bonds	18.4%	4,597,708
Federal agency bonds	4.5%	1,109,766
U.S. Treasuries	70.6%	17,599,231
Certificate of deposit	<u>1.2%</u>	<u>284,769</u>
Total	<u>100.0%</u>	<u>\$ 24,923,051</u>

**SABINE RIVER AUTHORITY
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Notes to the Financial Statements

June 30, 2024

Of these amounts, \$515,185 was restricted for debt service, power agreement, and capital projects and \$23,953,795 was unrestricted.

Investments at June 30, 2023 are comprised of:

<u>Investment</u>	<u>Percentage</u>	<u>Fair Value</u>
Corporate bonds	2.4%	\$ 561,668
Municipal bonds	29.5%	6,780,817
Federal agency bonds	4.8%	1,105,993
U.S. Treasuries	62.0%	14,266,926
Certificate of deposit	<u>1.3%</u>	<u>284,769</u>
Total	<u>100.0%</u>	<u>\$ 23,000,173</u>

Of these amounts, \$480,204 was restricted for debt service, power agreement, and capital projects and \$22,519,969 was unrestricted.

At June 30, 2024, future maturities of investments are as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>1 to 5 Years</u>	<u>6 to 10 Years</u>	<u>10+ Years</u>
Corporate bonds	\$ 1,331,577	530,794	800,783	-	-
Municipal bonds	4,597,708	2,463,107	2,134,601	-	-
Federal agency bonds	1,109,766	724,049	373,947	-	11,770
U.S. Treasuries	17,599,231	6,289,424	11,309,807	-	-
Certificate of deposit	<u>284,769</u>	<u>-</u>	<u>284,769</u>	<u>-</u>	<u>-</u>
	<u>\$ 24,923,051</u>	<u>10,007,374</u>	<u>14,903,907</u>	<u>-</u>	<u>11,770</u>

At June 30, 2023, future maturities of investments are as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>1 to 5 Years</u>	<u>6 to 10 Years</u>	<u>10+ Years</u>
Corporate bonds	561,668	49,304	512,364	-	-
Municipal bonds	6,780,817	4,297,779	2,483,038	-	-
Federal agency bonds	1,105,993	-	1,082,330	-	23,663
U.S. Treasuries	14,266,926	4,097,422	10,169,504	-	-
Certificate of deposit	<u>284,769</u>	<u>-</u>	<u>284,769</u>	<u>-</u>	<u>-</u>
	<u>\$ 23,000,173</u>	<u>8,444,505</u>	<u>14,532,005</u>	<u>-</u>	<u>23,663</u>

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits the Authority's investments per Louisiana Revised Statute 33:2955. The Authority does not have policies to further limit credit risk. The Authority's investment rating based on investment type is shown below:

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At June 30, 2024:

	<u>AAA</u>	<u>AA+</u>	<u>AA</u>	<u>A+</u>	<u>Not Rated</u>	<u>Total</u>
Corporate bonds	\$ 821,113	-	510,464	-	-	1,331,577
Municipal bonds	-	1,233,893	2,516,419	847,396	-	4,597,708
Federal agency bonds	724,049	385,717	-	-	-	1,109,766
U.S. Treasuries	-	17,599,231	-	-	-	17,599,231
Certificate of deposit	-	-	-	-	284,769	284,769
	<u>\$ 1,545,162</u>	<u>19,218,841</u>	<u>3,026,883</u>	<u>847,396</u>	<u>284,769</u>	<u>24,923,051</u>

At June 30, 2023:

	<u>AAA</u>	<u>AA+</u>	<u>AA</u>	<u>A+</u>	<u>Not Rated</u>	<u>Total</u>
Corporate bonds	\$ 512,364	-	49,304	-	-	561,668
Municipal bonds	-	2,503,518	3,318,585	958,714	-	6,780,817
Federal agency bonds	712,392	393,601	-	-	-	1,105,993
U.S. Treasuries	-	14,266,926	-	-	-	14,266,926
Certificate of deposit	-	-	-	-	284,769	284,769
	<u>\$ 1,224,756</u>	<u>17,164,045</u>	<u>3,367,889</u>	<u>958,714</u>	<u>284,769</u>	<u>23,000,173</u>

Custodial risk for investments is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investment policy states that the assets of the Authority shall be held in trust by the fiduciary designated by the Authority. For U.S. Treasury Obligations and U.S. Government Obligations state law provides these are backed by the full faith and credit of the United States of America.

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The Authority's investment policy states that the bond portfolio may not hold more than 30% at cost of any single bond issue.

Investment rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State law as applicable to political subdivisions does not address interest rate risk. In addition, the Authority manages its exposure to declines in fair values by permitting shifts along the yield curve and between sectors of the fixed income market.

(5) Fair Value Measurements

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent, but not in the entity's name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. United States Treasuries consist of bonds and notes that are guaranteed by the United States

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Government. All remaining investments are uninsured, unregistered and held by counterparty's trust department or agent not in the entity's name.

GASB Statement No. 72, Fair Value Measurement and Application, requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels.

- (a) Level 1 inputs - the valuation is based on quoted market prices for identical assets or liabilities traded in active markets.
- (b) Level 2 inputs - the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability.
- (c) Level 3 inputs - the valuation is determined by using the best information available under the circumstances, might include the government's own data, but it should adjust the data if (a) reasonably available information indicates that other market participants would use different data or (b) there is something particular to the government that is not available to other market participants.

Fair values of assets measured on a recurring basis at June 30, 2024 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate bonds	\$ 1,331,577	-	1,331,577	-
Municipal bonds	4,597,708	-	4,597,708	-
Federal agency bonds	1,109,766	-	1,109,766	-
U.S. Treasuries	<u>17,599,231</u>	-	<u>17,599,231</u>	-
Total	<u>\$ 24,638,282</u>	<u>-</u>	<u>24,638,282</u>	<u>-</u>

Fair values of assets measured on a recurring basis at June 30, 2023 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate bonds	\$ 561,668	-	561,668	-
Municipal bonds	6,780,817	-	6,780,817	-
Federal agency bonds	1,105,993	-	1,105,993	-
U.S. Treasuries	<u>14,266,926</u>	-	<u>14,266,926</u>	-
Total	<u>\$ 22,715,404</u>	<u>-</u>	<u>22,715,404</u>	<u>-</u>

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(6) Capital Assets

Prior to July 1, 1994, the capital assets of the Authority were not reported in a proprietary fund. During fiscal year ending June 30, 1995, it was determined the Authority should report as a proprietary fund. At that time, supporting documents and records could not be located for certain water and pumping plant assets that had been constructed by the State of Louisiana in the mid to late 1970's and early 1980's. These assets were subsequently turned over to the Authority by the State. As of June 30, 2024, it is estimated that these unaudited capital assets amount to approximately \$21,500,000 of cost and \$14,800,000 of accumulated depreciation that is recorded in the financial statements of the Authority

Capital assets and depreciation activity as of and for the year ended June 30, 2024 for the primary government is as follows:

	Balance June 30, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2024</u>
Capital assets not being depreciated:				
Land	\$ 1,434,916	-	-	1,434,916
Reservoirs & waterways	18,000,579	-	-	18,000,579
Construction in progress	<u>10,317,861</u>	<u>2,504,551</u>	<u>(7,456,831)</u>	<u>5,365,581</u>
Total capital assets not being depreciated	<u>29,753,356</u>	<u>2,504,551</u>	<u>(7,456,831)</u>	<u>24,801,076</u>
Capital assets being depreciated:				
Dams & electric plant	25,527,524	-	-	25,527,524
Water & pumping plant	44,392,836	1,496,143	-	45,888,979
Recreation & conference center	13,333,163	-	-	13,333,163
Recreation site improvements	8,249,982	119,094	-	8,369,076
Buildings	4,080,086	5,979,286	-	10,059,372
Roads & parking	3,884,254	-	-	3,884,254
Fish pavilions	840,742	-	-	840,742
Golf course	5,070,134	-	-	5,070,134
Equipment	5,838,553	254,341	(197,476)	5,895,418
FERC license	<u>5,358,649</u>	<u>-</u>	<u>-</u>	<u>5,358,649</u>
Total capital assets being depreciated	116,575,923	7,848,864	(197,476)	124,227,311
Less accumulated depreciation and amortization	<u>(69,439,602)</u>	<u>(4,186,956)</u>	<u>185,332</u>	<u>(73,441,226)</u>
Total capital asset being depreciated, net	<u>47,136,321</u>	<u>3,661,908</u>	<u>(12,144)</u>	<u>50,786,085</u>
Total capital assets, net	\$ <u>76,889,677</u>	<u>6,166,459</u>	<u>(7,468,975)</u>	<u>75,587,161</u>

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Capital assets and depreciation activity as of and for the year ended June 30, 2023 for the primary government is as follows:

	Balance June 30, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2023</u>
Capital assets not being depreciated:				
Land	\$ 1,434,916	-	-	1,434,916
Reservoirs & waterways	18,000,579	-	-	18,000,579
Construction in progress	<u>5,233,482</u>	<u>5,084,379</u>	-	<u>10,317,861</u>
Total capital assets not being depreciated	<u>24,668,977</u>	<u>5,084,379</u>	-	<u>29,753,356</u>
Capital assets being depreciated:				
Dams & electric plant	25,527,524	-	-	25,527,524
Water & pumping plant	44,355,025	37,811	-	44,392,836
Recreation & conference center	13,333,163	-	-	13,333,163
Recreation site improvements	7,262,505	987,477	-	8,249,982
Buildings	4,076,431	3,655	-	4,080,086
Roads & parking	3,006,609	877,645	-	3,884,254
Fish pavilions	840,742	-	-	840,742
Golf course	5,070,134	-	-	5,070,134
Equipment	5,793,707	126,148	(81,302)	5,838,553
FERC license	<u>5,358,649</u>	-	-	<u>5,358,649</u>
Total capital assets being depreciated	114,624,489	2,032,736	(81,302)	116,575,923
Less accumulated depreciation and amortization	<u>(66,070,209)</u>	<u>(3,450,695)</u>	<u>81,302</u>	<u>(69,439,602)</u>
Total capital asset being depreciated, net	<u>48,554,280</u>	<u>(1,417,959)</u>	-	<u>47,136,321</u>
Total capital assets, net	\$ <u>73,223,257</u>	<u>3,666,420</u>	-	<u>76,889,677</u>

The Authority recorded \$4,186,956 and \$3,450,695 of depreciation and amortization expense on its capital assets for the years ending June 30, 2024 and 2023, respectively.

Public law 98-571 directed the Federal Energy Regulatory Commission (FERC) to waive annual administration charges for the use of United States lands during the remaining term of the license to operate the Toledo Bend Joint Project (Project). The license expires fifty years from August 29, 2014. The waiver is contingent upon FERC determining that the power from the Project is sold to the public without profit. All exemptions applied for through June 30, 2024 have been approved.

(7) Long-Term Debt

Bonds Payable

On September 6, 2018, the Authority issued \$12,000,000 of Limited Tax Certificates, Series 2018 (bonds). The proceeds of the bonds were used to fund construction costs and pay costs of issuance of the Series 2018 bonds. The bonds are secured by an irrevocable pledge and dedication of net revenue. These bonds require future annual debt service installments of \$1,215,000 to \$1,394,000 through September 1, 2028. The bonds carry interest rates at 3.10% and interest to maturity at June 30, 2024 and 2023 totals \$518,725 and \$738,856 through September 1, 2028, respectively.

The annual requirements to amortize the bonds outstanding at June 30, 2024 are as follows:

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<u>For the Year Ended June 30:</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,215,000	183,102
2026	1,257,000	144,786
2027	1,301,000	105,137
2028	1,347,000	64,093
2029	<u>1,394,000</u>	<u>21,607</u>
	<u>\$ 6,514,000</u>	<u>518,725</u>

The annual requirements to amortize the bonds outstanding at June 30, 2023 are as follows:

<u>For the Year Ended June 30:</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,174,000	220,131
2025	1,215,000	183,102
2026	1,257,000	144,786
2027	1,301,000	105,137
2028	1,347,000	64,093
2029	<u>1,394,000</u>	<u>21,607</u>
	<u>\$ 7,688,000</u>	<u>738,856</u>

Changes in Long-term Debt

The following is a summary of changes in general long-term obligations of the Authority for the fiscal year ended June 30, 2024:

<u>Type of Debt</u>	<u>Balance 7/1/2023</u>	<u>Additions (Reductions)</u>	<u>Balance 6/30/2024</u>	<u>Amounts Due Within One Year</u>
OPEB liability	\$ 4,031,875	289,421	4,321,296	213,559
Bonds payable	6,514,000	(1,215,000)	5,299,000	1,215,000
Net pension liability	6,867,345	(2,098,273)	4,769,072	-
	<u>\$ 17,413,220</u>	<u>(3,023,852)</u>	<u>14,389,368</u>	<u>1,428,559</u>

The following is a summary of changes in general long-term obligations of the Authority for the fiscal year ended June 30, 2023:

<u>Type of Debt</u>	<u>Balance 7/1/2022</u>	<u>Additions (Reductions)</u>	<u>Balance 6/30/2023</u>	<u>Amounts Due Within One Year</u>
OPEB liability	\$ 5,469,270	(1,249,352)	4,031,875	188,043
Bonds payable	7,688,000	(1,134,000)	6,514,000	1,174,000
Net pension liability	5,586,645	1,280,700	6,867,345	-
	<u>\$ 18,743,915</u>	<u>(1,177,092)</u>	<u>17,413,220</u>	<u>1,362,043</u>

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(8) Post-Retirement Health Care and Life Insurance Benefits

Plan Description: The Authority’s employees may participate in the State of Louisiana’s Other Post-Employment Benefit Plan (OPEB Plan) which is administered by the Office of Group Benefits (OGB). The State OGB Plan provides medical and life insurance benefits to eligible active employees, retirees, and their beneficiaries. The postemployment benefits plan is a multiple-employer plan for financial reporting purposes since the plan is not administered as a formal trust. R.S. 42:801-883 provides the authority to establish and amend benefit provisions of the plan. OGB does not issue a publicly available financial report of the State OPEB Plan; however, it is included in the State of Louisiana’s Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy’s website at www.doa.la.gov/osrap.

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. Effective July 1, 2008, an OPEB trust fund was statutorily established; however, this plan is not administered as a trust and no plan assets have been accumulated as of June 30, 2024. The plan is funded on a “pay-as-you-go basis” under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

Medical Benefits: Retirees under the age of 65 can elect coverage under the following plans:

- BCBS Pelican HRA
- BCBS Magnolia Local/Local Plus
- BCBS Magnolia Open Access
- Vantage Medical Home HMO (no longer offered after December 31, 2023)

Retirees age 65 and over can elect coverage under the following plans:

- BCBS Pelican HRA
- BCBS Magnolia Local/Local Plus
- BCBS Magnolia Open Access
- Vantage Medical Home HMO (Premium/Standard/Basic) (no longer offered after December 31, 2023)
- People’s Medicare Advantage HMO
- Vantage Medical Home HMO (no longer offered after December 31, 2023)
- BCBS Medicare Advantage HMO (varies by region)
- Humana Medicare Advantage HMO (varies by region)
- Via Benefits HRA

Monthly Contributions: Retirees with continuous OGB medical coverage starting before January 1, 2002 pay approximately 25% of the cost of coverage in retirement. Employees with an OGB medical participation start (or re-start) date after December 31, 2001 pay a percentage of the total retiree contribution rate based on the following schedule:

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<u>OGB Participation</u>	<u>Employer Contribution Percentage</u>	<u>Employee Contribution Percentage</u>
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

Monthly rates effective January 1, 2024 are as follows:

<u>Medical Plan</u>	<u>Pre-Medicare Member</u>				<u>Medicare Member</u>		
	<u>Active Single</u>	<u>Member Only</u>	<u>Pre-65 Spouse</u>	<u>Medicare Spouse</u>	<u>Member Only</u>	<u>Pre-65 Spouse</u>	<u>Medicare Spouse</u>
People's MA HMO	\$ N/A	N/A	N/A	N/A	160	N/A	160
BCBS Pelican HRA	\$ 545	1,013	776	204	330	888	263
BCBS Mag. Local Plus	\$ 872	1,627	1,246	340	538	1,429	427
BCBS Magnolia OA	\$ 906	1,686	1,291	340	548	1,478	437
BCBS MA HMO Reg. 1	\$ N/A	N/A	N/A	N/A	174	N/A	174
BCBS MA HMO Reg. 2	\$ N/A	N/A	N/A	N/A	217	N/A	217
BCBS MA HMO Reg. 3-4	\$ N/A	N/A	N/A	N/A	197	N/A	197
BCBS MA HMO Reg. 5-8	\$ N/A	N/A	N/A	N/A	227	N/A	227
BCBS MA HMO Reg. 9	\$ N/A	N/A	N/A	N/A	212	N/A	212
Humana MA HMO Reg. 1	\$ N/A	N/A	N/A	N/A	34	N/A	34
Humana MA HMO Reg. 2	\$ N/A	N/A	N/A	N/A	178	N/A	178
Humana MA HMO Reg. 3	\$ N/A	N/A	N/A	N/A	145	N/A	145
Humana MA HMO Reg. 4	\$ N/A	N/A	N/A	N/A	158	N/A	158
Humana MA HMO Reg. 5	\$ N/A	N/A	N/A	N/A	158	N/A	158
Humana MA HMO Reg. 6	\$ N/A	N/A	N/A	N/A	208	N/A	208
Humana MA HMO Reg. 7	\$ N/A	N/A	N/A	N/A	224	N/A	224
Humana MA HMO Reg. 8	\$ N/A	N/A	N/A	N/A	214	N/A	214
Humana MA HMO Reg. 9	\$ N/A	N/A	N/A	N/A	204	N/A	204

For purposes of the OPEB valuation, the above amounts were trended back six months to the valuation date.

Life Insurance Benefits: OGB provides eligible retirees the following life insurance plans:

	<u>Basic</u>	<u>Supplemental Maximum</u>
Under age 65	\$ 5,000	50,000
Ages 65 to 70	4,000	38,000
After age 70	3,000	25,000

In force life insurance amounts are reduced to 75% of the initial value at age 65 and 50% of the original amount at age 70. Spouse life insurance amounts of \$1,000, \$2,000, or \$4,000 are available. Retiree pays

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50% of the Prudential Company of America premium. Retiree pays 100% of the Prudential Company of America premium for spousal coverage.

Total Collective OPEB Liability and Changes in Total Collective OPEB Liability:

At June 30, 2024, the Authority reported a liability of \$4,534,855 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2023 and was determined by an actuarial valuation as of that date.

At June 30, 2023, the Authority reported a liability of \$4,219,918 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2022 and was determined by an actuarial valuation as of that date.

The Authority's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability in relation to the total OPEB actuarial accrued liability for all participating entities included in the State of Louisiana reporting entity. At July 1, 2023, the Authority's proportion was 0.0634%.

The Authority's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability in relation to the total OPEB actuarial accrued liability for all participating entities included in the State of Louisiana reporting entity. At July 1, 2022, the Authority's proportion was 0.0625%.

Actuarial Assumptions:

***Valuation Date:* July 1, 2023.**

***Measurement Date:* July 1, 2023.**

***Actuarial Cost Method:* Entry Age Normal, level percent of pay. Service costs are attributed through all assumed ages of exit from active service. For current DROP participants, assumed exit from active service is the date at which DROP ends.**

***Discount Rate:* The discount rate used as of July 1, 2023 is 4.13% based on the June 30, 2023 S&P 20-year municipal bond index rate.**

***Inflation Rate:* 2.40%**

***Salary Increases:* The rates of salary increases are consistent with the assumption used in the June 30, 2023 Louisiana State Employees' Retirement System Actuarial Valuation.**

***Healthcare Cost Trend Rates:* The combined effect of price inflation and utilization on gross eligible medical and prescription drug charges is according to the table below. The initial trend rate was developed using our National Health Care Trend Survey. The survey gathers information of trend expectations for the coming year from various insurers and pharmacy benefit managers. These trends are broken out by drug and medical, as well as type of coverage (e.g. PPO, HMO, POS). We selected plans that most closely match the State of Louisiana's benefits to set the initial trend. The ultimate**

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trend is developed based on a building block approach which considers CPI, GDP, and Technology growth. The healthcare cost trend rates applicable to medical and prescription drug benefits are as follows:

<u>Year</u>	<u>Medical and Drug Pre-65</u>	<u>Medical and Drug Post-65</u>
2023-2024	7.00%	6.50%
2024-2025	7.00%	6.50%
2025-2026	6.75%	6.25%
2026-2027	6.50%	6.00%
2027-2028	6.25%	5.75%
2028-2029	6.00%	5.50%
2029-2030	5.75%	5.25%
2030-2031	5.50%	5.00%
2031-2032	5.25%	4.75%
2032-2033	5.00%	4.50%
2033-2034	4.75%	4.50%
Thereafter	4.50%	4.50%

The retiree contribution trend is the same as the medical and drug trend.

Healthcare Claim Cost: Per capita costs for the self-insured plans administered by BCBS were based on medical and prescription drug claims and enrollment for retired participants for the period January 1, 2022 through December 31, 2023. The claims experience was trended to the valuation date.

Per capita costs for the fully insured HMO and Medicare Advantage plans were based on calendar year 2024 premiums adjusted to the valuation date using the Medicare trend reflecting IRA assumption on the prior page.

Per capita costs were adjusted for expected age-related differences in morbidity applicable to retirees, except for costs for the Via Benefits HRA plan, which provides a flat monthly subsidy. Details regarding the Age Morbidity Curve are found under Age-related Morbidity assumptions below.

The table below indicates the assumed 2023 per capita costs normalized to male retiree age 65:

<u>Plan</u>	<u>Without Medicare Retirement Date Before 3/1/15</u>	<u>With Medicare Retirement Date Before 3/1/15</u>	<u>Without Medicare Retirement Date After 3/1/15</u>	<u>With Medicare Retirement Date After 3/1/15</u>
Medical Home HMO	23,492	5,558	23,506	5,561
People's MA HMO	N/A	1,554	N/A	1,554
BCBS MA HMO	N/A	2,040	N/A	2,040
Humana MA HMO	N/A	1,243	N/A	1,243
Via Benefits HRA	N/A	2,400	N/A	2,400
BCBS Pelican HRA	15,643	3,030	15,643	3,030
BCBS Magnolia Local/Local Plus	21,406	3,856	20,687	3,758
BCBS Magnolia Open Access	21,808	3,478	20,993	3,404

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Administrative Expenses: Included in medical claim is a 10% load for life insurance. The 10% load is consistent with industry standards and covers insurer administrative costs, premium taxes, as well as insurer margin and profit (where applicable).

Age Related Morbidity: Per capita costs are adjusted to reflect expected cost differences due to age and gender. Age morbidity factors for pre-Medicare morbidity were developed from "Health Care Costs—From Birth to Death" sponsored by the Society of Actuaries and prepared by Dale H. Yamamoto (May 2013). Table 4 from Mr. Yamamoto's study formed the basis of Medicare morbidity factors that are gender-distinct and assumed a cost allocation of 60% for pharmacy, 20% for inpatient, 10% for outpatient, and 10% for professional services. Adjustments were made to Table 4 factors for inpatient costs at age 70 and below to smooth out what appears to be a spike in utilization for Medicare retirees gaining healthcare for the first time through Medicare. While such retirees were included in the study, their specific experience is not applicable for a valuation of an employer retiree medical plan where participants had group active coverage before retirement.

<u>Age</u>	<u>Male Factor</u>	<u>Female Factor</u>
50	0.4612	0.5736
55	0.6085	0.6667
60	0.7829	0.7791
65	1.0000	0.9438
70	1.1873	1.1094
75	1.2752	1.2009
80	1.3381	1.2697
85	1.3479	1.3171
90	1.3235	1.3303
95	1.3047	1.2765
100	1.2878	1.1701

Basis for Demographic Assumptions: The actuary relied upon the assumptions used in the June 30, 2023 Louisiana State Employees' Retirement System (LASERS) pension valuation for the mortality, retirement, termination, disability, and salary scale assumptions.

The assumptions used in the June 30, 2023 LASERS pension valuation were revised as of the June 30, 2019 valuation based on an experience study for the period July 1, 2013 through June 30, 2018.

Mortality: For General active lives: the RP-2014 Blue Collar Employee Table, adjusted by 0.978 for males and 1.144 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.

For General healthy retiree lives: the RP-2014 Blue Collar Healthy Annuitant Table, adjusted by 1.280 for males and RP-2014 White Collar Healthy Annuitant Table, adjusted by 1.417 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.

For Public Safety active lives: the RP-2014 Blue Collar Employee Table, adjusted by 1.005 for males and 1.129 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.

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For Public Safety healthy retiree lives: the RP-2014 Blue Collar Healthy Annuitant Table, adjusted by 1.185 for males and 1.017 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.

For disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 1.009 for males and 1.043 for females, not projected with mortality improvement.

Rates of Retirement: The rates of retirement are consistent with the assumptions used in the June 30, 2023 pension valuations. The retirement rates for LASERS include DROP rates. Sample rates are shown below.

<u>Age</u>	<u>Regular Members</u>				
	<u>Years of Service</u>				
	<u><10</u>	<u>10-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>
55	0%	18%	18%	60%	60%
60	35%	35%	35%	35%	35%
65	20%	20%	20%	20%	20%
66	18%	18%	18%	18%	18%
67	18%	18%	18%	18%	18%
68	18%	18%	18%	18%	18%
69	18%	18%	18%	18%	18%
70 - 74	18%	18%	18%	18%	18%
75+	100%	100%	100%	100%	100%

Disability Rates: Consistent with the pension valuation assumptions. Rates at sample ages are shown below by group:

<u>Age</u>	<u>Rate</u>
40	0.10%
45	0.15%
50	0.22%
55	0.30%
60	0.00%

Termination Rates: Consistent with the pension valuation assumptions. Rates at sample ages are shown below by group:

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<u>Age</u>	<u><1</u>	<u>1</u>	<u>2-3</u>	<u>4-6</u>	<u>7-9</u>	<u>10+</u>
20	50.0%	38.0%	33.0%	23.0%	10.5%	8.0%
30	29.0%	23.0%	18.0%	13.3%	10.5%	8.0%
40	28.0%	18.0%	15.0%	13.0%	8.0%	5.5%
45	25.0%	18.0%	14.0%	12.5%	8.0%	5.0%
50	25.0%	18.0%	12.5%	11.5%	7.5%	5.0%
55	20.0%	18.0%	11.5%	8.5%	7.0%	5.0%
60	20.0%	18.0%	11.5%	8.5%	7.0%	5.0%

Participation Rate - Medical: Active employees who do not have current medical coverage are assumed not to participate in the medical plan as retirees. The percentage of employees and their dependents who are currently covered for medical coverage that are assumed to participate in the retiree medical plan is outlined in the table below. This assumption is based on a review of OPEB experience from July 1, 2017 through June 30, 2020. To be eligible for retiree coverage, the participant's coverage must be in effect immediately prior to retirement. Active participants who have been covered continuously under the OGB medical plan since before January 1, 2002 are assumed to participate at a rate of 88%. This rate assumes that a one-time irrevocable election to participate is made at the time of retirement.

Participation Rate - Life Insurance: 36% of future retirees are assumed to participate in the life insurance plan. This assumption is based on a review of plan experience from July 1, 2017 through June 30, 2020. Future retirees are assumed to elect a total of \$45,000 in basic life insurance and supplemental life insurance coverage before any age reductions. Spouses are assumed to elect \$2,000 of coverage.

Plan Election Percentage: Current retirees are assumed to remain in their current plan. Future retirees are assumed to elect coverage based on the coverage elections of recent retirees, as follows:

<u>Medical Plan</u>	<u>Pre-Medicare %</u>	<u>Medicare %</u>
BCBS Pelican HRA	10%	6%
BCBS Magnolia L/LP	83%	73%
BCBS Magnolia OA	7%	15%
People's MA HMO	N/A	1%
BCBS MA HMO	N/A	3%
Humana MA HMO	N/A	1%
Via Benefits HRA	N/A	1%

This assumption has been updated since the prior valuation based on a review of the past three years of experience.

Dependents: Actual data was used for spouses of current retirees. Of those future retirees electing coverage at retirement, 35% are assumed to be married at time of retirement and elect to cover their spouse in the same medical arrangement that they have elected. 35% of future retirees are also assumed to elect life insurance benefit for their spouses.

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For future retirees, male retirees are assumed to be three years older than their spouses and female retirees are assumed to be two years younger than their spouses.

No divorce or remarriage after widowhood was reflected.

These assumptions are based on a review of plan experience from July 1, 2017 through June 30, 2020.

Medicare Eligibility: 99% of future retirees are assumed to be eligible for Medicare at age 65. Retirees under age 65 at July 1, 2017 are assumed to become eligible for Medicare at age 65 at varying rates based on how soon they turn age 65, as follows:

<u>Turns Age 65 by</u>	<u>Medicare Eligibility %</u>
7/1/2023	92%
7/1/2024	93%
7/1/2025	94%
7/1/2026	95%
7/1/2027	96%
7/1/2028	97%
7/1/2029	98%
After 7/1/2030	99%

Retirees over age 65 are valued according to their reported Medicare status, which is assumed to never change. All current spouses are assumed to be Medicare eligible at age 65. Medicare eligibility assumptions for future spouses are consistent with the assumptions for future retirees. These assumptions are based on a review of experience from July 1, 2017 through June 30, 2020.

DROPS: Current DROPS are valued using actual DROP end dates, where available. Otherwise, the DROP period was assumed to be three years from the DROP start dates. This assumption is consistent with the plan provisions of the DROP program in LASERS.

60% of retirements in the first year of normal retirement eligibility are assumed to be DROPS. 50% of DROPS are assumed to return to active employment at the end of the DROP period.

The following changes in actuarial assumptions have been made since the prior measurement date:

- The discount rate has increased from 4.09% to 4.13%.
- Baseline per capita costs (PCCs) were updated to reflect 2023 claims and enrollment.
- Medical plan election percentages were updated based on the coverage elections of recent retirees.
- The mortality, retirement, termination, disability, and salary increase rates for the TRSL, LSERS, and LSPRS groups were updated. Additionally, all TRSL assumptions that were based on the Regular plan assumptions only have been updated to vary by sub-plan as applicable (Regular, Higher Ed, and Lunch).
- The healthcare cost trend was updated.

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Required Supplementary Information

Sensitivity of the Proportionate Share of the Total Collective OPEB Liability to Changes in the Discount Rate: The following presents the proportionate share of the total collective OPEB liability of the Authority, as well as what the Authority’s proportionate share of the total collective OPEB liability would be if it were calculated using a discount rate one percentage lower and one percentage higher than the current discount rate.

As of June 30, 2024:

	1% Decrease <u>(3.13%)</u>	Current Discount Rate <u>(4.13%)</u>	1% Increase <u>(5.13%)</u>
Proportionate Share of the Total Collective OPEB liability	\$ <u>5,181,637</u>	<u>4,534,855</u>	<u>4,009,214</u>

As of June 30, 2023:

	1% Decrease <u>(3.09%)</u>	Current Discount Rate <u>(4.09%)</u>	1% Increase <u>(5.09%)</u>
Proportionate Share of the Total Collective OPEB liability	\$ <u>4,815,852</u>	<u>4,219,918</u>	<u>3,733,859</u>

Sensitivity of the Proportionate Share of the Total Collective OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the proportionate share of the total collective OPEB Liability of the Authority, as well as what the Authority’s proportionate share of the total collective OPEB liability would be if it were calculated using healthcare cost trend rates one percentage lower and one percentage higher than the current healthcare cost trend rates.

As of June 30, 2024:

	1% Decrease <u>(5.25%)</u>	Current Healthcare Cost Trend Rate <u>(6.25%)</u>	1% Increase <u>(7.25%)</u>
Proportionate Share of the Total Collective OPEB liability	\$ <u>4,017,778</u>	<u>4,534,855</u>	<u>5,173,361</u>

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As of June 30, 2023:

	1% Decrease (5.25%)	Current Healthcare Cost Trend Rate (6.25%)	1% Increase (7.25%)
Proportionate Share of the Total Collective OPEB liability	\$ <u>3,730,879</u>	<u>4,219,918</u>	<u>4,824,445</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended June 30, 2024, the Authority recognized an OPEB expense of \$74,022. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 285,884	(948,418)
Changes in experience	91,521	-
Changes in proportionate share of collective OPEB Expense	194,261	(127,337)
Difference in proportionate share of employer payments and actual payments	-	(35,849)
Contributions made subsequent to measurement date	<u>213,559</u>	<u>-</u>
	\$ <u>785,225</u>	<u>(1,111,604)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended:

June 30, 2025	\$ (235,756)
June 30, 2026	\$ (232,010)
June 30, 2027	\$ (100,468)
June 30, 2028	\$ 28,296

For the year ended June 30, 2023, the Authority recognized an OPEB benefit of \$240,359. At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 289,421	(1,386,698)
Changes in experience	128,370	-
Changes in proportionate share of collective OPEB Expense	192,891	(285,950)
Difference in proportionate share of employer payments and actual payments	-	(54,974)
Contributions made subsequent to measurement date	<u>188,043</u>	<u>-</u>
	<u>\$ 798,725</u>	<u>(1,727,622)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended:

June 30, 2024	\$ (389,200)
June 30, 2025	\$ (289,101)
June 30, 2026	\$ (284,168)
June 30, 2027	\$ (154,471)

(9) Retirement System

Plan Description

Employees of the Authority are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

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Retirement Benefits

The age and years of creditable service required in order for a member to retire with full benefits are established by statute and vary depending on the member's hire date, employer, and job classification. Our rank and file members hired prior to July 1, 2006 may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing 10 years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015 may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and may also retire at any age with a reduced benefit after 20 years of creditable service. Hazardous duty members are eligible to retire with 12 years of creditable service at age 55, 25 years of creditable service at any age, or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary employed after January 1, 2011 was eliminated by Act 992. Specialty plan and regular members hired prior to January 1, 2011 who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and may also retire at any age with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annually earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual while

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judges receive a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

Members of the Harbor Police Retirement System who were members prior to July 1, 2014 may retire after 25 years of creditable service at any age, 12 years of creditable service at age 55, 20 years of creditable service at age 45, and 10 years of creditable service at age 60. Average compensation for the plan is the member's average annual earned compensation for the highest 36 consecutive months of employment with a 3.33% accrual rate.

A member leaving employment before attaining minimum retirement age but after completing certain minimum service requirements becomes eligible for a benefit provided that the member lives to the minimum service retirement age and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

Deferred Retirement Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004 are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

For members who are in the Harbor Police Plan, the annual DROP Interest Rate is the three-year average (calculated as the compound average of 36 months) investment return of the plan assets for the period ending the June 30th immediately preceding that given date. The average rate so determined is to be reduced by a "contingency" adjustment of 0.5%, but not to below zero. DROP interest is forfeited if member does not cease employment after DROP participation.

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Disability Benefits

Generally, active members with 10 or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making an application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

Members of the Harbor Police Retirement System who become disabled may receive a non-line of duty disability benefit after five years or more of credited service. Members age 55 or older may receive a disability benefit equivalent to the regular retirement benefit. Under age 55, the disability benefit is equal to 40% of final average compensation. Line of duty disability benefits are equal to 60% of final average compensation, regardless of years of credited service or 100% of final average compensation if the injury was the result of an intentional act of violence. If the disability benefit retiree is permanently confined to a, is an amputee incapable of serving as a law enforcement officer, or is permanently or legally blind, there is no reduction to the benefit if the retiree becomes gainfully employed.

Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of 20 years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is 10 years for a surviving spouse with no minor children and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years earned immediately prior to death and in active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

A Hazardous Duty Services Plan member's surviving spouse and minor or handicapped or mentally incapacitated child or children are entitled to survivor benefits of 80% of the member's final average compensation if the member was killed in the line of duty. If the member dies in the line of duty as a result of an intentional act of violence, survivor benefits may be increased to 100% of the member's final average compensation.

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Non-line of duty survivor benefits of the Harbor Police Retirement System may be received after a minimum of five years of credited service. Survivor benefits paid to a surviving spouse without children are equal to 40% of final average compensation and cease upon remarriage. Surviving spouse with children under 18 benefits are equal to 60% of final average compensation, and cease upon remarriage, and children turning 18. No minimum service credit is required for line of duty survivor benefits which are equal to 60% of final average compensation to surviving spouse or 100% of final average compensation if the injury was the result of an intentional act of violence regardless of children. Line of duty survivor benefits cease upon remarriage, and then benefit is paid to children under 18.

Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Employer Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Each plan pays a separate actuarially determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership.

The Authority's contractually required composite contribution rates for the years ended June 30, 2024 and 2023 were 41.3% and 40.4%, respectively, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Authority were \$737,556 and \$1,046,486 for the years ended June 30, 2024 and 2023, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the Authority reported a liability of \$4,769,072 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Authority's proportion of the Net Pension Liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Authority's proportion was 0.071249%, which was a decrease of 0.019592% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Authority recognized pension expense of \$717,970 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$833,634. Additionally, during the year ended June 30, 2024, the Authority recognized other income totaling \$268,283 for its proportionate share of funds contributed to the System by the State of Louisiana.

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At June 30, 2023, the Authority reported a liability of \$6,867,345 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Authority's proportion of the Net Pension Liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Authority's proportion was 0.090841%, which was a decrease of 0.010661% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Authority recognized pension expense of \$942,632 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$35,903.

At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 103,236	-
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	27,264	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	44,085	-
Difference between proportionate share of employer contributions and actual contribution	-	(901,640)
Employer contributions subsequent to measurement date	<u>737,556</u>	<u>-</u>
	<u>\$ 912,141</u>	<u>(901,640)</u>

\$737,556 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended:

June 30, 2025	\$ 987,914
June 30, 2026	\$ (172,228)
June 30, 2027	\$ 234,891
June 30, 2028	\$ (62,522)

At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 18,728	-
Changes in assumptions	124,858	-
Net difference between projected and actual earnings on pension plan investments	553,140	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	22,019	(2,783)
Difference between proportionate share of employer contributions and actual contribution	26,704	(472,443)
Employer contributions subsequent to measurement date	<u>1,046,487</u>	<u>-</u>
	\$ <u>1,791,936</u>	<u>(475,226)</u>

\$1,046,486 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:

June 30, 2024	\$ (141,819)
June 30, 2025	\$ 110,918
June 30, 2026	\$ 139,873
June 30, 2027	\$ (379,195)

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Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023 are as follows:

Valuation Date	June 30, 2023																		
Actuarial Cost Method	Entry Age Normal																		
Actuarial Assumptions:																			
Expected Remaining Service Lives	2 years																		
Investment Rate of Return	7.25% per annum, net of investment expenses																		
Inflation Rate	2.3% per annum																		
Mortality	<p>Non-disabled members – The RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement scale MP-2018.</p> <p>Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p>																		
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five year (2014-2018) experience study of the System’s members.																		
Salary Increases	<p>Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;"><u>Member Type</u></th> <th style="text-align: center;"><u>Lower Range</u></th> <th style="text-align: center;"><u>Upper Range</u></th> </tr> </thead> <tbody> <tr> <td>Regular</td> <td style="text-align: center;">3.0%</td> <td style="text-align: center;">12.8%</td> </tr> <tr> <td>Judges</td> <td style="text-align: center;">2.6%</td> <td style="text-align: center;">5.1%</td> </tr> <tr> <td>Corrections</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> <tr> <td>Hazardous Duty</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> <tr> <td>Wildlife</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> </tbody> </table>	<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>	Regular	3.0%	12.8%	Judges	2.6%	5.1%	Corrections	3.6%	13.8%	Hazardous Duty	3.6%	13.8%	Wildlife	3.6%	13.8%
<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>																	
Regular	3.0%	12.8%																	
Judges	2.6%	5.1%																	
Corrections	3.6%	13.8%																	
Hazardous Duty	3.6%	13.8%																	
Wildlife	3.6%	13.8%																	
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were																		

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

Notes to the Financial Statements

June 30, 2024

deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.19% for 2023. Best estimates of geometric real rates of return for each major asset class included in the System’s target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Cash	0.80%
Domestic equity	4.45%
International equity	5.44%
Domestic Fixed Income	2.04%
International Fixed Income	5.33%
Alternative Investments	8.19%
Total Fund	5.75%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and contributions from participating employers will be made at the actuarially determined rates approved by PRSAC, taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer’s proportionate share of the Net Pension Liability as of June 30, 2024 using the discount rate of 7.25%, as well as what the Employer’s proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

Notes to the Financial Statements

June 30, 2024

	1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Employer’s proportionate share of the net pension liability	\$ <u>6,244,706</u>	<u>4,769,072</u>	<u>3,518,898</u>

The following presents the Employer’s proportionate share of the Net Pension Liability as of June 30, 2023 using the discount rate of 7.25%, as well as what the Employer’s proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

	1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Employer’s proportionate share of the net pension liability	\$ <u>8,641,124</u>	<u>6,867,345</u>	<u>5,249,916</u>

The information above can be found in the current GASB 68 Schedules of Employer located at <https://lasersonline.org/employers/gasb-68-resources/>.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued current LASERS Comprehensive Annual Financial Report at www.lasersonline.org.

Payables to the Pension Plan

As of June 30, 2024 and 2023, the Authority had no employee and employer contributions that were due to the pension plan.

(10) Commitments and Contingencies

Risk Management

The Authority is exposed to various risks of loss resulting from personal injury; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect against these risks of loss, the Authority purchases various types of insurance from commercial carriers.

Contingent Liabilities

Litigation

The Authority is subject to various claims and lawsuits which may arise in the ordinary course of business. After consulting with counsel representing the Authority in connection with such claims and lawsuits, it is the opinion of management and counsel that the disposition or ultimate determination of

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

Notes to the Financial Statements

June 30, 2024

such claims and lawsuits will not have a material effect on the financial position of the Authority. The Authority is subject to a claim for property damages that of the opinion of legal counsel is reasonably possible of a loss to the Authority. However, an estimate of loss or range of loss cannot be made at this time.

(11) Lease of Recreational Facility

The Authority leased property and facilities, including the conference center, golf course, club house, cart storage building, service center buildings, restaurants, stores, tennis courts, activity center, pool, and other commercial property, if and when constructed on the leased property for 75 years beginning on May 1, 2000 to ALH Properties No. Five, Inc. ALH will pay rent to the Authority as follows:

- Opening date through December 31, 2001 - 1% of annual gross revenue.
- Calendar year 2002 through 2004 - 1.5% of annual gross revenue.
- Calendar year 2005 and thereafter - 2.0% of annual gross revenue up to \$5,000,000, 4.0% of annual gross revenue between \$5,000,000 and \$5,000,000, 5.0% of annual gross revenue between \$6,000,000 and \$7,000,000, 5.5% of annual gross revenue between \$7,000,000 and \$8,000,000, 6.0% of annual gross revenue between \$8,000,000 and \$9,000,000, 6.5% of annual gross revenue between \$9,000,000 and \$10,000,000, and 7.0% of annual gross revenue over \$10,000,000.

Contingent rentals received for the year ended June 30, 2024 and 2023 was \$0 and \$0, respectively. The Authority has entered into an Agreement (the "Agreement") with Sabine Bank & Trust Company (the Bank). It provides for the Authority to subordinate any and all liens, privileges, pledges, or other rights granted to the Authority by Louisiana Civil Code Article 2705, et seq., or Louisiana Civil Code Article 3218, et seq., with respect to all of ALH's inventory, goods, equipment, and other movable property (collateral) situated on property the Authority leased to ALH to the rights of the Bank. The Authority also agreed that in the event of any foreclosure, sale, or other disposition of any of the collateral, the rights of the Bank in said collateral shall in all respects prime those of the Authority and the Bank shall be paid by preference and priority to and over any claim of the Authority.

(12) Toledo Bend Project Joint Operation

The Toledo Bend Project Joint Operation (the Joint Operation) is an existing, federally licensed hydroelectric project jointly owned and operated by the Authority and the Sabine River Authority of Texas.

The Joint Operation is located on the Sabine River where it forms the boundary between the states of Texas and Louisiana in Panola, Shelby, Sabine, and Newton counties in Texas, and DeSoto, Sabine, and Vernon parishes in Louisiana. The existing facilities at the Joint Operation include a dam and powerhouse, three dikes, gated spillway and excavated channel, tailrace and excavated channel, switchyard, turbines, penstocks, and transmission line. The Toledo Bend Reservoir extends approximately 132 river miles up the Sabine River to just north of Logansport, Louisiana, from river mile (RM) 147 to RM 279, a distance of approximately 70 navigation miles. The Joint Operation boundary encompasses approximately 201,600 acres. The reservoir has a surface area of approximately

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

Notes to the Financial Statements

June 30, 2024

185,000 acres (at water level elevation 172 ft-msl). The reservoir has approximately 1,130 miles of shoreline and numerous opportunities for recreation.

The Joint Operation, which was originally licensed in 1963 by the Federal Energy Regulatory Commission's (FERC or Commission) predecessor agency, the Federal Power Commission, was conceived, licensed, and developed for water supply, and secondary purposes include hydroelectric power generation and recreation. On August 29, 2014, the Commission issued a new license to the Authorities for the continued operation of the Project.

Because the Authority and SRA-TX jointly own and operate the Joint Operation, one half of its financial position and results of operations are reported in these financial statements.

(13) Related Party Transactions

Included in accounts receivable at June 30, 2024 and 2023 are amounts due from the Joint Operation of \$209,707 and \$144,872, respectively.

Included in accounts payable at June 30, 2024 and 2023 are amounts due to the Joint Operation of \$273,311 and \$437,652, respectively.

(14) Prior Period Adjustments

The Authority recorded the following prior period adjustments for the year ending June 30, 2024:

Proprietary Fund Financials:

	Increase (Decrease) <u>In Net Position</u>
To record error in pension expense in prior period	\$ <u>(329,444)</u>
	\$ <u>(329,444)</u>

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

Notes to the Financial Statements

June 30, 2024

The Authority recorded the following prior period adjustments for the year ending June 30, 2023:

Proprietary Fund Financials:

	Increase (Decrease) <u>In Net Position</u>
To reverse bond issuance costs that should have been expensed in a prior period	\$ (52,170)
To adjust net capital assets for depreciation recorded in prior years on Toledo Bend Project Joint Operation assets and correct other related fixed asset accounts	15,468,730
To record effect of accrued interest on bonds payable that was not recorded in prior period	(91,161)
To record error in accounts payable relating to prior years	<u>78,201</u>
	<u>\$ 15,403,600</u>

(15) Subsequent Events

The Authority evaluated subsequent events through September 3, 2024 the date which the financial statements were available to be issued.

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

Schedule of Employer's Share of Net Pension Liability

Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Employer's proportion of net pension liability	0.09914%	0.12789%	0.11032%	0.10971%	0.13014%	0.09121%	0.10038%	0.10150%	0.09084%	0.07125%
Employer's proportionate share of net pension liability	6,199,304	8,698,246	8,662,621	7,722,300	8,875,112	6,608,230	8,301,766	5,586,645	6,867,345	4,769,072
Employer's covered-employee payroll	1,826,509	1,826,509	2,427,237	2,074,111	2,045,473	2,518,440	1,814,307	2,105,297	2,145,359	1,774,822
Employer's proportionate share of net pension liability as a percentage of its covered-employee payroll	339%	476%	357%	372%	434%	262%	458%	265%	320%	269%
Plan fiduciary net position as a percentage of the total pension liability	65%	63%	58%	62%	64%	63%	58%	73%	64%	68%
Measurement date	6/30/14	6/30/15	6/30/16	6/30/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23

This schedule reflects the participation of the Board's employees in LASERS and its proportionate share of the net pension liability as a percentage of its covered employee payroll, and the plan fiduciary net position as a percentage of the total pension liability

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

Schedule of Employer's Contributions

Last Ten Fiscal Years

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2015	679,461	481,736	197,725	1,826,509	26.37%
2016	902,932	797,358	105,574	2,427,237	32.85%
2017	742,532	734,329	8,203	2,074,111	35.40%
2018	775,234	776,264	(1,030)	2,045,473	37.95%
2019	954,489	733,168	221,321	2,518,440	29.11%
2020	738,423	819,982	(81,559)	1,814,307	45.20%
2021	844,224	819,982	24,242	2,105,297	38.95%
2022	847,417	857,680	(10,263)	2,145,359	39.98%
2023	717,043	717,043	-	1,774,822	40.40%
2024	737,557	737,557	-	1,785,847	41.30%

This schedule represents the employer contributions subsequent to the measurement date and recognized as a reduction of the net pension liability in future years.

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

**Notes to Required Supplementary Information - Schedule of Employer's Proportionate
Share of Net Pension Liability and Schedule of Employer's Pension Contributions**

Last Ten Fiscal Years

Changes in Benefit Terms:

Measurement Date: June 30, 2014

- 1. A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the Louisiana Regular Legislative System.**
- 2. Improved benefits for certain members employed by the Office of Adult Probation and Parole within the Department of Public Safety and Corrections as established by Act 852 of 2014.**

Measurement Date: June 30, 2016

- 1. A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.**
- 2. Added benefits for members of the Harbor Police Retirement System, which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.**

Measurement Date: June 30, 2019

- 1. Act 595 of 2018 provides for a disability benefit equal to 100 percent of final average compensation for members of the Hazardous Duty, Corrections Primary and Secondary, and Wildlife and Harbor Police plans who are totally and permanently disabled in the line of duty by an intentional act of violence.**

Measurement Date: June 30, 2021

- 1. Act 37 of 2021 provided a monthly benefit increase to retirees that on June 30, 2021 have attained age 60, have 30 or more years of service, have been retired 15 or more years, receive a monthly benefit less than \$1,450, and have not participated in DROP or the Initial Benefit Option. The benefit increase is the lesser of \$300 per month or the amount needed to increase the monthly benefit to \$1,450.**

Changes in Assumptions:

Measurement Date: June 30, 2017

- 1. The Authority adopted a plan to gradually reduce the discount rate from 7.75% to 7.50% in .05% annual increments, beginning July 1, 2017. Therefore, the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017 valuation. A 7.65% discount rate was used to determine the projected contribution requirements for fiscal year 2018/2019.**
- 2. The Authority reduced the inflation assumption from 3.0% to 2.75%, effective July 1, 2017. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .25%.**

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

**Notes to Required Supplementary Information - Schedule of Employer's Proportionate
Share of Net Pension Liability and Schedule of Employer's Pension Contributions**

Last Ten Fiscal Years

3. The projected contribution requirement for fiscal year 2018/2019 includes direct funding of administrative expenses, rather than a reduction in the assumed rate of return, per Act 94 of 2016.

Measurement Date: June 30, 2018

1. In accordance with the Authority's adopted plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.70% to 7.65%.

Measurement Date: June 30, 2019

1. In accordance with the Authority's adopted plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.7% to 7.60.
2. The Authority reduced the inflation assumption from 2.75% to 2.50%, effective July 1, 2019. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .25%.

Measurement Date: June 30, 2020

1. In accordance with the Authority's adopted plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.60% to 7.55%.
2. The Authority reduced the inflation assumption from 2.50% to 2.30%, effective July 1, 2020. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .20%.

Measurement Date: June 30, 2021

1. In accordance with the Authority's adopted plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.55% to 7.4%.

Measurement Date: June 30, 2022:

1. In accordance with the Authority's adopted plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.4% to 7.25%.
2. The expected long-term real rates of return were increased from 5.81% to 5.91%.

Measurement Date: June 30, 2023:

1. The expected long-term real rates of return were decreased from 5.91% to 5.75%.

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

Schedule of Employer's Proportionate Share of the Total Collective OPEB Liability

Last Ten Fiscal Years*

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Employer's proportion of total collective OPEB liability	0.0706%	0.0706%	0.0675%	0.0678%	0.0622%	0.0597%	0.0625%	0.0634%
Employer's proportionate share of total collective OPEB liability	6,404,069	6,134,302	5,762,596	5,236,469	5,154,596	5,469,270	4,219,918	4,534,855
Employer's covered-employee payroll	1,788,017	2,089,964	2,039,437	1,930,343	1,984,821	2,026,127	1,774,878	1,716,838
Employer's proportionate share of the total collective OPEB liability as a percentage of its covered-employee payroll	358%	294%	283%	271%	260%	270%	238%	264%
Measurement date	7/1/16	7/1/17	7/1/18	7/1/19	7/1/20	7/1/21	7/1/22	7/1/23

** Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

**Notes to Required Supplementary Information - Schedule of
Changes in Employer's Proportionate Share of Collective OPEB Liability and Related Ratios**

Last Ten Fiscal Years *

*Notes are intended to show information for last 10 years. Additional years will be displayed as they become available.

There are no assets accumulated in a trust that meets the requirements in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Changes in Assumptions:

Measurement Date: June 30, 2019

1. The discount rate was decreased from 3.5% to 2.21%.

Measurement Date: June 30, 2020

1. The discount rate was increased from 2.21% to 2.66%.
2. Mortality assumptions were changed from the RP-2014 table without projection to the following:
 - a. For active lives: the RP-2014 Blue Collar Employee Table, adjusted by 0.978 for males and 1.144 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.
 - b. For healthy retiree lives: the RP-2014 Blue Collar Healthy Annuitant Table, adjusted by 1.280 for males and RP-2014 White Collar Healthy Annuitant Table, adjusted by 1.417 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.
 - c. For disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 1.009 for males and 1.043 for females, not projected with mortality improvement.
3. Healthcare cost trend rate assumptions that were changed from an expected rate of increase in medical cost is based on an annual rate of 5.5% for the first 10 years and 4.5% thereafter to the assumptions described above.
4. Termination rate assumptions were changed from an age-related turnover scale based on actual experience as described by administrative staff (approximately 13%) to rates consistent with pension valuation assumptions based on age and years of service (rates ranging from 50% to 5%).
5. Life insurance participation rates for future retirees was decreased from 52% to 36%.
6. Rates of salary increases were changed from an annual salary increase of 4% to the following:

Years of Service	Increase
0	12.80%
5	4.90%
10	3.60%
15	3.20%
20	3.00%
25	3.00%
30	3.00%

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

**Notes to Required Supplementary Information - Schedule of
Changes in Employer's Proportionate Share of Collective OPEB Liability and Related Ratios**

Last Ten Fiscal Years *

Measurement Date: June 30, 2021

- 1. The discount rate was decreased from 2.66% to 2.18%.**
- 2. Baseline per capita costs were updated to reflect 2021 claims and enrollment.**
- 3. Medical plan election percentages were updated based on the coverage elections of recent retirees.**
- 4. The healthcare cost trend rate assumption was revised based on updated National Health Care Trend Survey information.**

Measurement Date: June 30, 2022

- 1. The discount rate has increased from 2.18% to 4.09%.**
- 2. Baseline per capita costs were updated to reflect 2022 claims and enrollment.**
- 3. Medical plan election percentages were updated based on the coverage elections of recent retirees.**

Measurement Date: June 30, 2023

- 1. The discount rate has increased from 4.09% to 4.13%.**
- 2. Baseline per capita costs (PCCs) were updated to reflect 2023 claims and enrollment.**
- 3. Medical plan election percentages were updated based on the coverage elections of recent retirees.**
- 4. The mortality, retirement, termination, disability, and salary increase rates for the TRSL, LSERS, and LSPRS groups were updated. Additionally, all TRSL assumptions that were based on the Regular plan assumptions only have been updated to vary by sub-plan as applicable (Regular, Higher Ed, and Lunch).**
- 5. The healthcare cost trend was updated.**

Changes in Benefit Terms:

There have been no changes in benefit terms.

**ANNUAL FISCAL REPORT (AFR)
FOR 2024**

AGENCY: 20-31 - Sabine River Authority
 PREPARED BY: Robert Furman
 PHONE NUMBER: 985-727-9924
 EMAIL ADDRESS: rfurman@griffinandco.com
 SUBMITTAL DATE: 08/30/2024 11:58 AM

STATEMENT OF NET POSITION

ASSETS

CURRENT ASSETS:

CASH AND CASH EQUIVALENTS	17,395,409.00
RESTRICTED CASH AND CASH EQUIVALENTS	5,400,093.00
INVESTMENTS	0.00
RESTRICTED INVESTMENTS	0.00
DERIVATIVE INSTRUMENTS	0.00
OTHER DERIVATIVE INSTRUMENTS	0.00
RECEIVABLES (NET)	3,984,288.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
P3 RECEIVABLE (NET) (Only relates to Transferor)	0.00
AMOUNTS DUE FROM PRIMARY GOVERNMENT	0.00
DUE FROM FEDERAL GOVERNMENT	0.00
INVENTORIES	0.00
PREPAYMENTS	11,209.00
NOTES RECEIVABLE	0.00
OTHER CURRENT ASSETS	238,849.00
TOTAL CURRENT ASSETS	\$27,029,848.00

NONCURRENT ASSETS:

RESTRICTED ASSETS:

CASH	0.00
INVESTMENTS	515,185.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
OTHER	0.00
INVESTMENTS	23,953,795.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
P3 RECEIVABLE (NET) (Only relates to Transferor)	0.00
CAPITAL ASSETS (NET OF DEPRECIATION & AMORTIZATION)	
LAND	1,434,916.00
BUILDINGS AND IMPROVEMENTS	8,680,017.00
MACHINERY AND EQUIPMENT	2,776,812.00
INFRASTRUCTURE	53,010,203.00
OTHER INTANGIBLE ASSETS	4,319,632.00
CONSTRUCTION IN PROGRESS	5,365,581.00
INTANGIBLE RIGHT-TO-USE ASSETS:	
LEASED LAND	0.00
LEASED BUILDING & OFFICE SPACE	0.00
LEASED MACHINERY & EQUIPMENT	0.00
SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)	0.00
PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIP ARRANGEMENTS (P3) (Only relates to Operator)	0.00
OTHER NONCURRENT ASSETS	0.00
TOTAL NONCURRENT ASSETS	\$100,056,141.00
TOTAL ASSETS	\$127,085,989.00

DEFERRED OUTFLOWS OF RESOURCES

**ANNUAL FISCAL REPORT (AFR)
FOR 2024**

AGENCY: 20-31 - Sabine River Authority
 PREPARED BY: Robert Furman
 PHONE NUMBER: 985-727-9924
 EMAIL ADDRESS: rfurman@griffinandco.com
 SUBMITTAL DATE: 08/30/2024 11:58 AM

ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE RELATED	0.00
P3-RELATED (Only relates to Operator)	0.00
GRANTS PAID PRIOR TO MEETING TIME REQUIREMENTS	0.00
INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEREE)	0.00
LOSSES FROM SALE-LEASEBACK TRANSACTIONS	0.00
DIRECT LOAN ORIGATION COSTS FOR MORTGAGE LOANS HELD FOR SALE	0.00
ASSET RETIREMENT OBLIGATIONS	0.00
OPEB-RELATED	785,225.00
PENSION-RELATED	912,141.00
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$1,697,366.00

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES **\$128,783,355.00**

LIABILITIES

CURRENT LIABILITIES:

ACCOUNTS PAYABLE AND ACCRUALS	1,063,447.00
ACCRUED INTEREST	0.00
DERIVATIVE INSTRUMENTS	0.00
OTHER DERIVATIVE INSTRUMENTS	0.00
AMOUNTS DUE TO PRIMARY GOVERNMENT	0.00
DUE TO FEDERAL GOVERNMENT	0.00
AMOUNTS HELD IN CUSTODY FOR OTHERS	0.00
UNEARNED REVENUES	10,445.00
OTHER CURRENT LIABILITIES	0.00

CURRENT PORTION OF LONG-TERM LIABILITIES:

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	0.00
LEASE LIABILITY	0.00
SBITA LIABILITY	0.00
P3 LIABILITY (Only relates to Operator)	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	1,215,000.00
OPEB LIABILITY	213,559.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL CURRENT LIABILITIES	\$2,502,451.00

NONCURRENT PORTION OF LONG-TERM LIABILITIES:

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	0.00
LEASE LIABILITY	0.00
SBITA LIABILITY	0.00
P3 LIABILITY (Only relates to Operator)	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	5,299,000.00
OPEB LIABILITY	4,321,296.00
NET PENSION LIABILITY	4,769,072.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
UNEARNED REVENUE	0.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2024**

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 SUBMITTAL DATE: 08/30/2024 11:58 AM

TOTAL NONCURRENT LIABILITIES	\$14,389,368.00
TOTAL LIABILITIES	\$16,891,819.00

DEFERRED INFLOWS OF RESOURCES

ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE RELATED	0.00
P3-RELATED (Only relates to Transferor)	0.00
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	0.00
SALES/INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEROR)	0.00
GAINS FROM SALE-LEASEBACK TRANSACTIONS	0.00
SPLIT INTEREST AGREEMENTS	0.00
POINTS RECEIVED ON LOAN ORIGINATION	0.00
LOAN ORIGINATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE	0.00
OPEB-RELATED	1,111,604.00
PENSION-RELATED	901,640.00
TOTAL DEFERRED INFLOWS OF RESOURCES	\$2,013,244.00

NET POSITION:

NET INVESTMENT IN CAPITAL ASSETS	69,073,161.00
RESTRICTED FOR:	
CAPITAL PROJECTS	4,803,293.00
DEBT SERVICE	596,800.00
NONEXPENDABLE	0.00
EXPENDABLE	0.00
OTHER PURPOSES	0.00
UNRESTRICTED	\$35,405,038.00
TOTAL NET POSITION	\$109,878,292.00

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STATEMENT OF ACTIVITIES

PROGRAM REVENUES

EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE
13,999,826.00	17,317,524.00	0.00	0.00	\$3,317,698.00

GENERAL REVENUES

PAYMENTS FROM PRIMARY GOVERNMENT	0.00
OTHER	1,911,358.00
ADDITIONS TO PERMANENT ENDOWMENTS	0.00
CHANGE IN NET POSITION	\$5,229,056.00
NET POSITION - BEGINNING	\$104,978,679.00
NET POSITION - RESTATEMENT - ERROR CORRECTION	(329,443.00)
NET POSITION - RESTATEMENT - CHANGE IN ACCOUNTING PRINCIPLE	0.00
NET POSITION - RESTATEMENT - CHANGE IN REPORTING ENTITY	0.00
NET POSITION - ENDING	\$109,878,292.00

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DUES AND TRANSFERS

Account Type		
Amounts due from Primary	Intercompany (Fund)	Amount
Government		
		Total
		\$0.00

Account Type		
Amounts due to Primary	Intercompany (Fund)	Amount
Government		
		Total
		\$0.00

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SCHEDULE OF BONDS PAYABLE

Series Issue	Date of Issue	Original Issue Amount	Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY	Interest Outstanding CFY
Series 2018	09/01/2018	12,000,000.00	7,688,000.00	(1,174,000.00)	\$ 6,514,000.00	0.00
		Totals	\$7,688,000.00	\$(1,174,000.00)	\$6,514,000.00	\$0.00

Series - Unamortized Premiums:

Series Issue	Date of Issue	Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY
		0.00	0.00	\$ 0.00
		Totals	\$0.00	\$0.00

Series - Unamortized Discounts:

Series Issue	Date of Issue	Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY
		0.00	0.00	\$ 0.00
		Totals	\$0.00	\$0.00

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SCHEDULE OF BONDS PAYABLE AMORTIZATION

Fiscal Year Ending:	Principal	Interest
2025	1,215,000.00	183,101.50
2026	1,257,000.00	144,785.50
2027	1,301,000.00	105,136.50
2028	1,347,000.00	64,092.50
2029	1,394,000.00	21,607.00
2030	0.00	0.00
2031	0.00	0.00
2032	0.00	0.00
2033	0.00	0.00
2034	0.00	0.00
2035	0.00	0.00
2036	0.00	0.00
2037	0.00	0.00
2038	0.00	0.00
2039	0.00	0.00
2040	0.00	0.00
2041	0.00	0.00
2042	0.00	0.00
2043	0.00	0.00
2044	0.00	0.00
2045	0.00	0.00
2046	0.00	0.00
2047	0.00	0.00
2048	0.00	0.00
2049	0.00	0.00
2050	0.00	0.00
2051	0.00	0.00
2052	0.00	0.00
2053	0.00	0.00
2054	0.00	0.00
2055	0.00	0.00
2056	0.00	0.00
2057	0.00	0.00
2058	0.00	0.00
2059	0.00	0.00
Premiums and Discounts	\$0.00	
Total	\$6,514,000.00	\$518,723.00

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Other Postemployment Benefits (OPEB)

If your agency has active or retired employees who are members of the Office of Group Benefits (OGB) Health Plan, please provide the following information: (Note: OGB has a 6/30/2023 measurement date for their OPEB valuation)

Benefit payments made subsequent to the measurement date of the **OGB** Actuarial Valuation Report until the employer's fiscal year end. (Benefit payments are defined as the employer payments for retirees' health and life insurance premiums). For agencies with a 6/30 year end this covers the current fiscal year being reported. For calendar year end agencies, it covers the period 7/1 to 12/31 for the current year being reported. 213,559.00

Covered Employee Payroll for the **PRIOR** fiscal year (not including related benefits) 1,716,838.00

For calendar year-end agencies only: Benefit payments or employer payments for retirees' health and life insurance premiums made for the next year's valuation reporting period (7/1/2023 - 6/30/2024). This information will be provided to the actuary for the valuation report early next year. 0.00

For agencies that have employees that participate in the **LSU Health Plan**, provide the following information: (Note: The LSU Health Plan has a measurement date of 6/30/2024 for their OPEB valuation report.)

Covered Employee Payroll for the **CURRENT** fiscal year (not including related benefits) 0.00

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FUND BALANCE/NET POSITION RESTATEMENT

ERROR CORRECTIONS

For each beginning net position restatement resulting from a correction of an error, select the SNP account and the SOA account affected by the error. Only material errors should be restated. Immaterial errors should be corrected through current period revenue or expenses, as applicable. In the description field, explain the nature of the error, and its correction, including periods affected by the error.

Account Name/Description	Beginning Net Position Restatement Amount
SNP DEFERRED OUTFLOWS OF RESOURCES - PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	
	(329,443.00)
SOA EXPENSES Description: To adjust deferred outflows relating to Pension.	
Total Restatement - Error Corrections	\$(329,443.00)

CHANGES IN ACCOUNTING PRINCIPLE

For each beginning net position restatement resulting from the application of a new accounting principle, select the SNP account and the SOA account that are affected by the change in accounting principle. In the description field explain the nature of the change in accounting principle and the reason for the change. If the change is due to the implementation of a new GASB pronouncement, identify the pronouncement that was implemented.

Account Name/Description	Beginning Net Position Restatement Amount
Total Restatement - Changes in Accounting Principle	\$0.00

CHANGES IN REPORTING ENTITY

Describe the nature and reason for the change to or within the financial reporting entity and list the effect (amount) on beginning net position.

Description	Effect on Beginning Net Position
	0.00
Total Restatement - Changes in Reporting Entity	\$0.00

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SUBMITTAL DATE: 08/30/2024 11:58 AM

SUBMISSION

Before submitting, ensure that all data (statements, notes, schedules) have been entered for the agency.

Once submitted no changes can be made to any of the agency data for the specified year.

By clicking 'Submit' below you certify that the financial statements herewith given present fairly the financial position and the results of operations for the year ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board.

Reminder: You must send Louisiana Legislative Auditors an electronic copy of the AFR report in a pdf, tiff, or some other electronic format to the following e-mail address:
LLAFileroom@lla.la.gov.



Stephen M. Griffin, CPA
Robert J. Furman, CPA

Howard P. Vollenweider, CPA
Jessica S. Benjamin
Racheal D. Alvey

Michael R. Choate, CPA

American Society of Certified Public Accountants
Society of Louisiana CPAs

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Sabine River Authority
State of Louisiana
Many, Louisiana**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Sabine River Authority, (the Authority), as of and for the year then ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated September 3, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for their purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not

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identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Griffin & Furman, LLC

September 3, 2024

Covington, Louisiana

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

Schedule of Findings

June 30, 2024

Summary of Audit Results:

- 1. Type of Report Issued - Qualified**
- 2. Internal Control Over Financial Reporting**
 - a. Significant Deficiencies - No**
 - b. Material Weaknesses - No**
- 3. Compliance and Other Matters - No**
- 4. Management Letter - No**

**SABINE RIVER AUTHORITY
STATE OF LOUISIANA**

Status of Prior Findings

June 30, 2024

Finding 2023-1:

Criteria:

Management is responsible for developing internal controls related to the preparation of financial statements that ensure the Authority's financial statements are free of material misstatement.

Condition:

The Authority is not recording all activity related to the Toledo Bend Project Joint Operation (the Joint Operation).

Cause:

The Authority is required include one half of the financial position and results of operations of the Joint Operation in its financial statements. In previous years, the auditors had advised management to record and balance all activity of the Joint Operation with the exception of capital asset related balances and activity. As a result, certain capital asset activity was not properly tracked and recorded. Additionally, the Authority was depreciating certain assets that the Joint Operation had determined were non-depreciable.

Effect:

The financial statements required adjustments to prevent them from being materially misstated.

Recommendation:

We recommend management record and balance all activity related to the Joint Operation.

Management Corrective Action:

Kellie Ferguson, Administrative Director, has set up separate accounts to track assets for Toledo Bend Project Joint Operations (TBPJO) and she or her designee will reconcile the assets to audited financial statements issued on August 31st each year by TBPJO. The agency will also record monthly changes to the assets from the monthly financials provided by TBPJO to ensure all assets and depreciation are properly recorded beginning July 1, 2023. Entries have been made to reconcile assets and depreciation for FY23.

Status:

Resolved.